

Oral Questions

casualty in the agricultural crossfire between the United States and the Europeans.

has been happening over the past four months and will continue as the performance in the economy warrants.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance.

Last week, the Conference Board of Canada reported that the confidence of Canadian families in their financial situation is at a record low. What a vote of non-confidence in the policies of this government. Only 7.8 per cent of Canadian families felt that the job situation in their communities would improve in the next six months.

Why does the minister and his government persist with policies like the high dollar, high interest rates and the GST, that are seriously damaging the confidence of Canadians in their economic future? Why will he not bring in new policies that will create jobs, create economic growth and re-establish the confidence of Canadians in the economy of this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have responded to that form of question on a number of occasions from the Leader of the Opposition.

We have an economy that is going through a transition stage, from a period of very high growth to a period where we have to get the levels of inflation under control. I am sure that my hon. friend remembers back in the late seventies and early eighties when the government that he supported did not take these problems seriously and that left us with the very serious recession in 1981-82. If he were to be honest with those Canadians that he believes he is speaking for today, he would not be saying the same things that he is saying right now.

I am not happy when I see the confidence at these levels. I can understand why people are feeling the way they do. What we have been trying to do is get interest rates down to reflect the slowness in the economy. That

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, last week Statistics Canada reported that more than half of the jobs lost in the first six months of this year were lost in small businesses.

It is no wonder that Catherine Swift, chief economist and vice-president of the Canadian Federation of Independent Business said: "We haven't seen intelligent government policies to deal with the problems." She pointed to "increasing taxes and artificially high interest rates as poor government management".

Is the minister going to attack Catherine Swift as not being honest? What is he going to say to her and the tens of thousands of small business people she represents?

Why will the minister not bring in some intelligent government policies, get away from his poor management and do things to help Canadian business, especially small business, get out of the economic mess he and his policies have created for this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I would say to Catherine Swift is that she is looking at a very narrow timeframe.

If she would cast her mind back to September 1984, when we had an unemployment rate of 11.7 per cent, the unemployment rate is down considerably from that.

The other point is that there has been over 1.5 million jobs created during that period. I believe about 80 per cent of those have been created by small business. It is very easy to draw these negative conclusions. In the broad timeframe of the last six years, the policies of this government have worked. The policies of this government have resulted in a substantial creation of jobs and a substantial improvement in the standard of living for Canadians. As people have seen, after tax and after inflation, their ability to purchase has gone up by \$8,000 for every family in Canada.

• (1420)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister has not explained. If things are so wonderful, according to him, why is the confidence of Canadians in their economic future so low?